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SUBJECT: SICILIAN MAFIA REELING FROM POLICE AND BUSINESS ACTIONS

Sensitive but unclassified - handle accordingly.

¶1. (SBU) Summary: A series of law enforcement successes in Sicily, including the arrest of a major mafia boss in November and a raid that netted 70 suspects on December 4, has the Cosa Nostra reeling. Business owners have increasingly banded together, refusing to pay the protection money that has traditionally been a major source of mafia income. The success in combating organized crime in Sicily stands in stark contrast to the general lack thereof in other regions of southern Italy. End summary.

¶2. (U) A string of law enforcement successes, combined with a rebellion by businesses against the payment of protection money, has the Cosa Nostra on the defensive. The latest round of government victories started with the November 5 arrest near Palermo of powerful Mafia boss Salvatore Lo Piccolo and three of his associates. Police believed that Lo Piccolo had taken over the top post in the Cosa Nostra after the April 2006 arrest of Bernardo Provenzano, "the boss of all bosses." The police and Carabinieri followed up with a joint raid on December 3 on the home in Gela (a heavily mafia-influenced town on the island's southern coast) of another local boss, Daniele Emmanuello. Emmanuello, wanted for murder and racketeering, was shot to death by police as he tried to flee. The next day, the Carabinieri detained 70 people, including alleged mob boss Vincenzo Santapaola, in Catania. Santapaola's father, Benedetto, is serving a life sentence and is considered one of the Sicilian mafia's most feared leaders.

¶3. (U) Business owners have been emboldened by the continuing string of law enforcement victories, with more and more reportedly refusing to pay extortion money (known in Italian slang as the "pizzo"), particularly since Provenzano's arrest. According to the recent annual report issued by the National

Traders Association (Conferescenti), up to 80 percent of businesses in Palermo and Catania paid protection money in the past year, and the cost of extortion is higher in Sicily than any other part of the country. Several anti-racket associations have been formed, reportedly with good results. The most prominent is "Addio pizzo" ("Goodbye, pizzo"), formed in 2004, which counts 210 traders and entrepreneurs as members and over 9,000 consumers committed to buy only at shops belonging to the "pizzo-free" list. Palermo police and the prefect have agreed to discreetly look after the member shops. "Addio pizzo" has organized programs in more than 90 schools and educational institutes, with the participation of prosecutors and police, and also conducted a "pizzo-free" festival in one of Palermo's main plazas in May 2006. (One of the association's leaders has been selected for a State Department International Visitor program in 2008, which will focus on awakening public opinion to rule of law and supporting NGOs who fight organized crime.)

¶4. (U) In September of this year, the Sicilian branch of the industrialists' federation (Confindustria) voted unanimously to expel any of its members who continue to pay the Mafia's tax. The vote came in support of Andrea Vecchio, a well-known construction company owner who told the Cosa Nostra he would no longer pay. Since taking this bold decision, he has received four death threats and two of his building sites have been sabotaged. Vecchio and his family are now living under police protection.

¶5. (U) On November 11, forty Sicilian business owners launched a new "anti-pizzo" association to assist entrepreneurs who refuse to pay extortion money. The group is called "Liberio Futuro," which translates "Free Future," but also pays homage to Liberio Grassi, a Sicilian businessman who was murdered in 1991 for refusing to pay the "pizzo." In response to the organization's founding, Palermo mayor Diego Cammarata promised 50,000 euros to assist merchants who have been victims of extortion. The association's inauguration was attended by national political leaders; in fact, the auditorium was packed, whereas when a similar launch was attempted two years ago, only around 30 people showed up.

¶6. (U) During the night of November 26, the offices of Confindustria in the central Sicilian city of Caltanissetta were broken into, and computer disks containing confidential details of business owners backing a campaign against the payment of protection money were stolen. Confindustria leaders immediately blamed the Mafia and declared that they would not be intimidated by the act.

¶7. (SBU) Comment: The stunning law enforcement successes and a

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vocal public campaign against extortion have left the Cosa Nostra with its back to the wall. Most of the organization's top-level bosses have been captured, but national anti-Mafia prosecutor Piero Grasso has stated that he has no intention of declaring the war over. According to Grasso, total victory requires a "cultural revolution," in addition to arrests. Unfortunately, the success in Sicily stands in stark contrast to the rest of southern Italy, where significantly less progress has been made in fighting the Camorra in Campania and the

'Ndrangheta in Calabria (although there has been good success combating the Sacra Corona Unita in Puglia). Our local contacts in the anti-mafia prosecutor's office tell us that it is hard to apply the Sicilian model to these regions because these other groups consist of clans, many of which compete with each other, while the Cosa Nostra has more of a pyramid structure. Nonetheless, the disparity between the success in combating the Sicilian mafia and the lack thereof elsewhere is striking.

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